



HAMPTON ROADS TRANSIT

# Unifying Metric



## Investment/Rider

$$\text{I/R} = \frac{(\text{All Expenses}) - (\text{All Non-Public Revenue})}{\text{Total Ridership}}$$

- Investment/Rider is the measurement of the organization's dependency on federal, state and local tax contributions for service operation.
- The polarity and the magnitude of the ratio will reflect the organization's dependency or independence on taxes to support operations. A positive ratio means that the organization is to some degree dependent. A negative ratio means the organization is independent. The magnitude of the number reflects degree of dependence or independence.
- We are all in an industry that is subsidized by taxpayers, and a goal is to minimize subsidy while providing the greatest benefits possible.

## Investment/Rider

$$\text{I/R} = \frac{(\text{Operating Expenses} + \text{Operational Overhead}) - (\text{Farebox Revenue} + \text{Advertising Revenue} + \text{Other})}{\text{Ridership}}$$

- Driving down the ratio is good in all cases and applicable in all agency types.
- I/R is a unifying metric because it touches every part of the organization.
- Whether it is reducing expenses, raising revenues or increasing ridership, every department can establish a target measure.

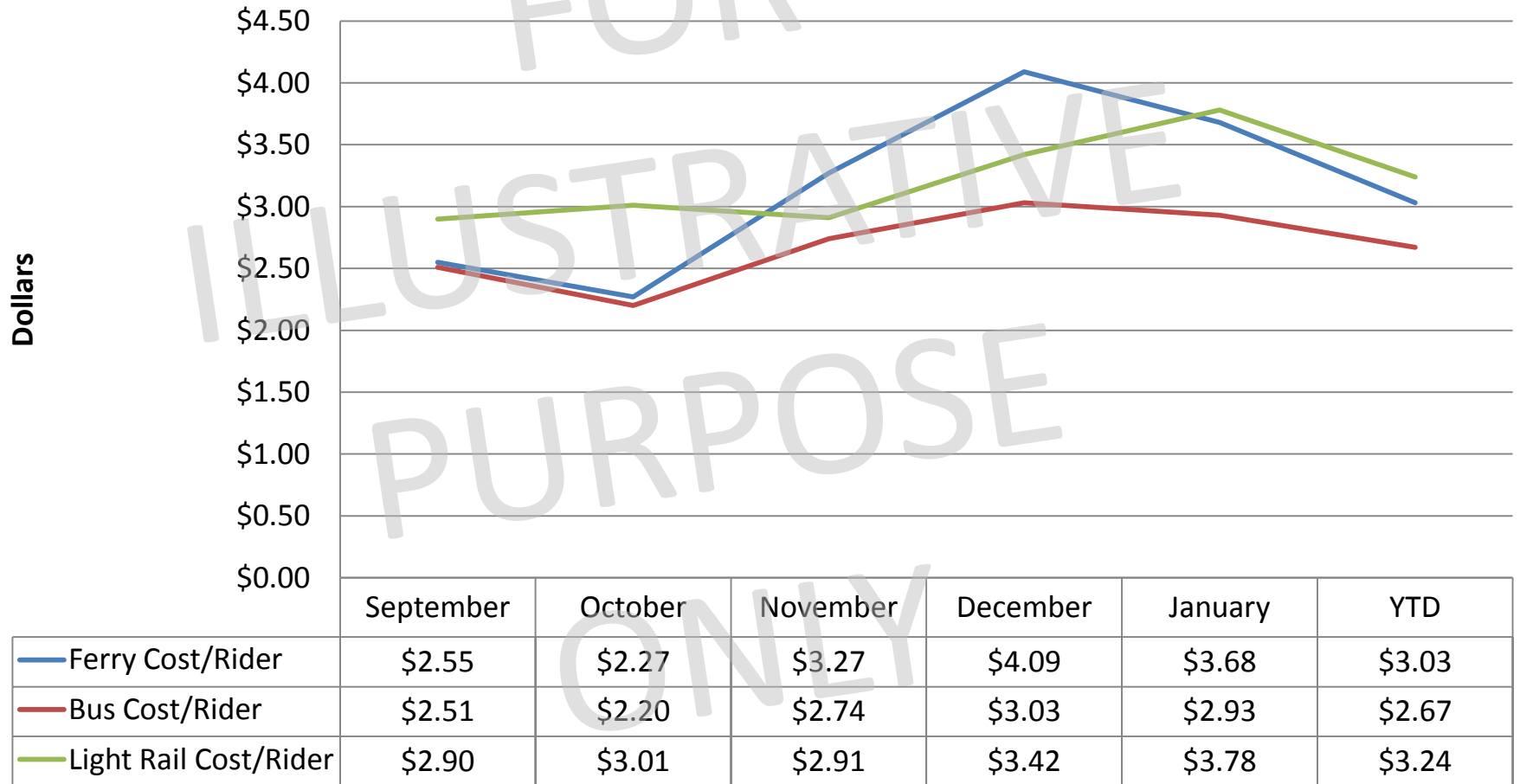
## Type of Expenses

- An unburdened expense is the true operating cost *without* organizational overhead.
- Fully-loaded expense is the true operating cost *with* organizational overhead.
- Some departments will be near fully unburdened expense, while others are full overhead. Some have mix of both.
- Not a topic for this presentation, but the ratio of Operating Expense to Overhead is also an interesting metric to monitor.



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## Unburdened Expense/Rider by Mode



# Unburdened Expense – Light Rail

## *September 2012 – January 2013*

	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>YTD</u>
Training	3,482	6,964	8,867	6,826	7,267	34,451
Vehicle Maintenance	133,194	127,406	70,049	80,436	106,729	752,622
Track Maintenance	26,578	55,512	37,861	26,614	55,559	242,435
Transportation	166,667	156,801	185,535	188,998	203,916	1,328,345
Technical Services	22,385	24,735	21,300	35,850	25,296	206,258
Systems Maintenance	73,590	66,676	73,937	61,539	77,098	508,777
Administration	46,712	38,094	41,278	48,664	48,930	331,351
Inventory	18,029	18,454	19,314	-10,001	21,047	113,046
<b>Total Light Rail Expense</b>	<b>490,637</b>	<b>494,642</b>	<b>458,141</b>	<b>438,926</b>	<b>545,842</b>	<b>3,517,285</b>
Ridership	169,044	164,369	157,600	128,255	144,474	1,084,053

	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>YTD</u>
Cost/Rider	\$2.90	\$3.01	\$2.91	\$3.42	\$3.78	\$3.24



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## Unburdened Expense/Rider - Light Rail

*January 2013*

	Budget	Ridership	Expense/Rider
Training	7,267	144,474	\$0.05
Vehicle Maintenance	106,729	144,474	\$0.74
Track Maintenance	55,559	144,474	\$0.38
Transportation	203,916	144,474	\$1.41
Technical Services	25,296	144,474	\$0.18
Systems Maintenance	77,098	144,474	\$0.53
Administration	48,930	144,474	\$0.34
Inventory	21,047	144,474	\$0.15
	545,842	144,474	\$3.78